



**TYNE ESK LAG MEETING MINUTES**  
**15 October 2019, 9:00am – 1.00pm**  
**The Craigie, 50 Bog Road, Penicuik, EH26 9BZ**

**LAG Members Present**

Andrew McDonald, (AM), Edinburgh Butterfly World, Midlothian Tourism Forum, LAG Chair  
 Anne Hastie, (AH), Private Individual, LAG Vice Chair  
 Frank Beattie, (FB), Scottish Enterprise, LAG member  
 Karen Calvert, (KC), Papermill Restaurant & Craigie Hotel, LAG member  
 Cllr John McMillan, (JM), East Lothian Council, LAG member  
 Patrick Playfair, (PP) Edwin Thompson, LAG member  
 Hilary Smith, (HS), North Berwick Coastal Area Partnership, LAG member  
 Yvonne Stoddart, (YS), STRIVE, LAG member

**LAG Observers Present**

Ann Marie Macaskill (AMM), Midlothian Council Economic Development, LAG Observer & Accountable Body Representative  
 Susan Smith, (SS), East Lothian Council Economic Development, LAG Observer

**Staff Members Present**

Joy Godfrey, (JG), LEADER Support Assistant, LEADER Team (notes)  
 Angela Lamont, (AL), LEADER Project Officer, LEADER Team  
 Dawne Milligan, (DM), LEADER Finance Support Officer, LEADER Team

**In Attendance**

Mary Smith, (MS), Director of Education, Communities and Economy, Midlothian Council

**Apologies**

Andrew Bayne-Jardine, (AB) Private Individual, LAG member  
 Cheryl Brown, (CB), Midlothian Sure Start, LAG member  
 Kerry Clark (KCL), NFU Scotland, LAG member  
 Sandra Duncan, (AD), Scottish Women’s Rural Institute (SWRI), LAG member  
 Claire Gilles, (CG) Penicuik YMCA -YWCA, LAG member  
 Cllr Russell Imrie, (RI), Midlothian Council, LAG member  
 Alasdair Mathers, (AMs), Midlothian Community Planning Partnership, LAG Observer  
 Simon Poole, (SP), Jerba Campervans, LAG member  
 Neil Ramsay, (NR), LEADER Programme Co-ordinator, LEADER Team  
 Paolo Vestri, (PV), East Lothian Partnership, LAG Observer

<b>Welcome and Apologies</b>	<b>Actions</b>
AM welcomed everyone to the meeting. Apologies were noted as above.	
<b>Quorum</b> The meeting was quorate with seven members in attendance (YS arrived sometime after the start), five from the non-public sector and two from the public sector.	



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<p><b>1. Matters Arising From Minutes</b></p> <p>The LAG reviewed the actions from the last meeting and noted that all had been actioned as far as possible.</p> <ul style="list-style-type: none"> <li>• AL had actioned the three approved Change Requests.</li> <li>• AL had arranged a Governance Sub Group meeting for review of the project shortlist; to discuss updates to Risk Register and Business Continuity Plan; and to discuss monitoring and evaluation. Two Governance Sub Group meetings had been held.</li> <li>• AL had organised a LAG site visit to Fraser Centre which had been on 1 August 2019.</li> <li>• AL had circulated a Doodle Poll for October LAG meeting</li> <li>• AL had fed information into Rural Enterprise Futures event.</li> <li>• AL and Executive Team had sent a letter to NB Gin letter and received a reply confirming that the applicant will spend remaining grant funding by the due date.</li> <li>• AH, HS and AMM had met to discuss Memorandum of Understanding.</li> <li>• AH and AMM liaised via email re changes to the Risk Register and this had been discussed subsequently at the Governance Sub Group meeting.</li> <li>• AH was reviewing the Communications Plan.</li> <li>• DM had altered the August 2018 minutes and LARCS to record the score for the Rocketeer as 6 rather than 7 but was not yet clear whether the Scottish Government had updated it.</li> <li>• LEADER staff had kept the LAG updated on the Gorebridge Railway Community Café &amp; Gallery progress (the project had folded so had had to be withdrawn) and an update was on the October LAG meeting agenda.</li> </ul> <p>The July minutes were checked by the LAG and signed. The March 2019 minutes were re-signed because there had been a mistake where the words 'public' and 'non-public' had been used in the wrong place.</p>	<p>AH to continue Communications Plan review.</p>
<p><b>2. Staffing News</b></p> <p><b>2.1 Programme Support Assistant Contract Extension</b> The Programme Support Assistant (JG)'s contract had been extended by six months until 31 March 2020. JG was thanked for agreeing to this.</p> <p><b>2.2 Finance Support Officer Resignation</b></p>	



DM advised she had handed in her notice and the LAG congratulated her on her new job. DM's last day working for Tyne Esk LEADER is 1 November 2019.

AMM and AL had discussed business continuity. AMM proposed buying in experience from other LAGs in the short term and recruitment to a fixed term post until 31/3/21 with both processes to commence immediately and run concurrently. AMM to make enquires with other LAGs. JM also suggested tapping into the expertise from the local FLAG.

The LAG recognised that losing fixed term contracts was a weakness of the LEADER system and that other LAGs might be in a similar position as uncertainty about the future of the programme continues.

The LAG were concerned that the separation of duties required by the Scottish Government would not be met if AL was asked to pay claims on projects she had developed. They were also concerned about a potential for compliance risks, audit risk and risk to applicants in receiving delayed payments. AH and AM had reviewed the Risk Register and many areas had been elevated to red including these and 'Staffing'.

AL explained on communication with other LAGs that special dispensation would be required from the Scottish Government to allow her to work on claims on projects she had developed, as in this case separation of duties cannot be upheld. The LAG asked to be kept updated on any issues or concerns to do with the payment of claims and that the Scottish Government be kept informed too.

AMM was satisfied this would not negatively impact the timescale for payment of present claims as these were currently paid well within the eight week deadline. To support this AL will prioritise claims work over governance work and JG will check claims.

At this point YS arrived. The meeting was quorate with eight members in attendance, six from the non-public sector and two from the public sector.

### 2.3 Acting Up Payments

The LAG discussed Acting Up Payments being made to DM and AL for covering the role of Programme Co-ordinator in NR's absence. AM had checked out at the Chairs' Meeting that this was permitted under LEADER and had secured agreement from MC at a meeting with MS and AMM. AMM will investigate this in line with council policy. AH commented the fairest way to apportion the

**AMM to contact other LAGs and the FLAG regarding buying in experience from them and to begin the recruitment process for a new Finance Support Officer.**

**LEADER staff to keep LAG updated on any issues or concerns to do with the payment of claims and also to keep the Scottish Government informed.**

**AMM to explore acting up payments internally.**



<p>allowance would be 50:50 between DM and AL and hoped it could be expedited to be included in DM's final pay.</p> <p>MS highlighted the risk present in programmes like LEADER where staff do not have continuation, noting that resignations are normal at this stage, that sickness is unfortunate and that in having kept JG on, Midlothian Council are doing everything possible to ensure business continuity.</p>	
<p><b>3 Feedback on Scottish Government/Wider Developments</b></p> <p><b>3.1 Budget</b></p> <p>AL reported that:</p> <ul style="list-style-type: none"> <li>• £2,421,073.20, 69% of the total project budget contracted.</li> <li>• £376,927.50 reclaimed by the Scottish Government to put in their new reallocation pot, an extension of the existing co-operation projects reallocation pot but open to general projects. The cut off for project money to be spent by individual LAGs was end of August 2019. Of the figure taken back from Tyne Esk LEADER, £200,000 came from the Gorebridge Railway Community Café &amp; Gallery which had folded at the end of August 2019, owing to the inability of a community partner to take this forward</li> <li>• £95,116 to be bid into from the reallocation pot if the Rosewell Nursery and Additional Needs Service application being assessed at this meeting (point 6) was approved.</li> <li>• £792,768.30 was the total budget for admin, of which most would be spent.</li> </ul> <p>The LAG expressed their disappointment that, due to staffing issues, they were having to hand money back instead of bidding for extra money, the situation they were predicted to be in at this time. It was noted that there is a list of potential pipeline projects but none are 'shovel ready' as the LAG had taken the decision not to further develop applications owing to the long-term sickness absence of the Co-Ordinator. AL relayed news from the Scottish Government that it was unlikely there would be any money left in the reallocation pot beyond December; any application development after this would cause a strain on the incumbent staff team whose priority would be to process claims and train a new claims officer at/beyond this time. AL explained that it takes at least two months to develop a project, and that this would leave a very short duration for delivery in 2020. The possibility of contracting a consultant in to develop projects was raised but AL expressed concern at this adding stress to the existing staff team in</p>	



the procurement / management of any such arrangement. The likely unavailability of funds beyond December and short duration for developing projects in 2020 was reiterated. AMM added that on the balance of risk and taking into account the risk register 'staffing' a steer would be taken from the staff team and their view as practitioners prioritised.

DM reported that Tyne Esk LEADER had drawn down £1.8 million from the Scottish Government (covering most expenditure to date) and was one of the LAGs ahead in this respect.

The LAG discussed the possibilities to use any admin underspend for monitoring and evaluation and for a celebration event at the end of the programme for beneficiaries of Tyne Esk LEADER funding.

### 3.2 Rural Enterprise Futures Event

AM, AH and DM had attended the Rural Enterprise Futures Event on 19<sup>th</sup> September 2019, aimed at lobbying for the continuation of funding, specifically rural enterprise, and providing Cabinet Secretary for the Rural Economy Fergus Ewing MSP a consultation forum for a rural development paper. It was a positive meeting and DM had asked for Tyne Esk LEADER to be provided with a copy of the results.

### 3.3 East Lothian Partnership Forum Event

AH had attended this event on 5<sup>th</sup> October 2019 at Queen Margaret University in place of AL. The Chief Executive of East Lothian Council delivered a keynote speech and AH delivered a workshop based on the past, present and future of the LEADER programme. Most in attendance at the workshop knew about LEADER. AH felt that a future event would benefit from reaching out into the wider community.

The LAG discussed differences between LEADER programmes in different countries and acknowledged some of their adept responsiveness in purchasing needed resources for community groups. The LAG said they wanted to hear from the end users of the projects as part of evaluating the programme. AL was asked to circulate a link to a video produced by Haddington CAB on their Digital Access Project which shows an end user explaining how she's benefited from the project and is powerful in conveying the impact of LEADER.

### 3.4 'An Economy for all Scotland' Report

AL had circulated the 'An Economy for all Scotland' Report with the LAG papers which had been produced by the Scottish Council

**AL to circulate Haddington CAB Digital Access Project end user beneficiary video.**



<p>for Development &amp; Industry's Rural Commission. It had 42 recommendations, AL highlighting several of these with relevance to rural development:</p> <ul style="list-style-type: none"> <li>• Embed the rural economy in decision making &amp; provide support where needed</li> <li>• Ensure adequate supply of affordable housing</li> <li>• Support the transition to low carbon future</li> <li>• Optimise actions of government and business to strengthen the economy</li> </ul>	
<p><b>4 Governance / Programme Updates</b></p> <p><b>4.1 Risk Register and Business Continuity Plan</b></p> <p>AH discussed updates made to the Risk Register and Business Continuity Plan made subsequent to the previous version. The updates had been approved by the Governance Sub Group in September 2019 and had been made in response to DM leaving, resulting in the Programme being run by 1.4 FTE staff. Risk scores in many of the areas including Staffing, Applications and Applicants had been elevated to the maximum to represent the challenges to the Programme caused by staffing shortages together with reaching the end of the 2014-20 programme. She took the LAG through the main changes and asked for their approval to adopt it which was granted. The LAG thanked AH for her work.</p> <p><b>4.2 Memorandum of Understanding</b></p> <p>AH summarised that the Accountable Body and the Scottish Government have a Service Level Agreement which states that the Accountable Body is employer of staff on behalf of the LAG, and the Memorandum of Understanding is an agreement between them. Tyne Esk LEADER's Memorandum of Understanding has never been signed. To create a new document and to sign, AH, AM and the Accountable Body had been working to create a mutually agreeable version. AH had prepared a version including a Collaborative Agreement based on UK National Standards however AMM had made amends to this, and recommended removal of the Collaborative Framework to reflect only the MoU. This was discussed at the September 2019 Governance Sub Group meeting and it was decided for simplicity to revert back to the original Memorandum of Understanding. AH sought and gained LAG approval for this at the meeting.</p>	
<p>A slide showing the structure of Tyne Esk LEADER and the relationships between the secretariat, LAG and Accountable Body was displayed by AH and discussed. Some amends were suggested:</p>	



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- AMM/MS – the addition of ‘and manage’ to the line from Accountable Body to secretariat, to read ‘Employ and manage staff on behalf of LAG. Provide policies and procedures and payroll.’
- AMM questioned the line ‘LAG manages LEADER staff’ from LAG to secretariat.
- SS suggested changing this to ‘sets staff priorities’ or similar.
- MS suggested removing this line altogether.

AMM intimated the above would have to be aligned and agreed before the Memorandum of Understanding could be signed. AL suggested one further meeting between AM, AH, AMM and MS to attempt to facilitate this.

At this point in the meeting, point 6.1 in the agenda was addressed due to time constraints of AMM and MS.

#### 4.3 Changes to Change Request Procedure

AL discussed the current mechanism for approving Change Requests to project end dates and milestones: zero to three month extensions - secretariat can approve, three to nine months – Executive Team approve, and nine months plus full LAG approve. She explained the secretariat find this time consuming and overly onerous, particularly when extensions are required just to complete claims and as the programme has less than one year left to run. The Governance Sub Group had approved a request for all timescale extensions to be approved by the secretariat and AL sought ratification of this by the LAG. This was granted, with the proviso that the Executive Team be keep up to date regularly with information on the extensions. JG will undertake the extensions and provide these reports to the Executive Team.

#### 4.4 John Muir Way – Marketing & Business Engagement Costs Change

AL reported that due to a rounding error in LARCS the costs of this project were £30,511.12, not £30,078 as approved by the LAG. She sought approval for this which was granted.

#### 4.5 Belhaven Surf Centre Costs Error

AL reported that an email had been sent to the LAG in January 2019 detailing a Change Request on the costs and match funding profile for this project, changing them both to £169,400. This amount was actually £169,399 – the LAG were asked to note this.

#### 4.6 Audits

Tyne Esk LEADER has had two recent audits and another is forecast.

AM, AH, AMM and MS to meet and agree on wording for the Memorandum of Understanding

Staff team to approve Change Request extensions on project end dates/milestones. JG to undertake this and provide regular reports to the Executive Team.



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- Scottish Government Audit – Tyne Esk LEADER achieved a green status with this audit. The LAG thanks DM for her work on it.
- Midlothian Council Internal Audit – in progress.
- Scottish Government LEADER Audit – due in January 2020.

AL expressed concern at the timing of Scottish Government LEADER audit given that the Programme would likely still be run by the 1.4 FTE staff at this point, who may also be involved in training of a new Finance Support Officer. DM pointed out that the audit may only be looking at Governance and may not be overly onerous on AL. The LAG agreed that AM will seek confirmation from the Scottish Government on the scope and exact timing of the audit.

AM to seek confirmation from the Scottish Government on the scope and timing of their planned audit.

#### 5 Application Assessment – Rosewell Nursery and Additional Needs Service

The aim of this project is to extend and refurbish an existing pavilion to create:

- A nursery for 0-5 year olds
- An extension to the existing After School Club
- A Saturday service
- An Additional Need Service
- A Breakfast Club
- Facilities for community and Council use.

#### Discussion

The LAG noted that whilst involving facilities for statutory provision – nursery provision for three, four and eligible two year olds through the Scottish Government’s new 1140 hours scheme and Midlothian Council’s It’s Good to be 2 programme, the majority of the project was not statutory.

The LAG liked that the Breakfast Club can be booked at 24 hours notice, which supports those on zero hours contracts.

The LAG noted that applicant LASC Childcare Services Ltd had planned to adapt their showers at a cost of £50k so that the facility can be used by the community for sports activities after hours. This was in response to an objection raised through their Asset Transfer process, which had ultimately been successful. One of the conditions of the Asset Transfer approval is the building will be given to Midlothian Council use at certain critical times eg: on polling days.





The LAG noted that letters of support had been acquired from Midlothian Sure Start, Play Midlothian, HomeLink Families Scotland and Neil Findley MSP.

#### **Strategic Fit**

The LAG noted that the project supports a rural enterprise but discussed whether the initiative could be supported commercially or by other public sources, eg: from Midlothian Council.

#### **Competence**

The LAG discussed the Community Asset Transfer timescale and decision-making; also Midlothian Council policy on delivering 1140 hrs. The LAG noted the applicant's wide experience of running similar projects.

#### **Need/Demand**

The LAG discussed whether Tyne Esk LEADER was being asked to meet provision that Midlothian Council is statutorily required to provide under the 1140 policy. However, they also noted that there is demand for the project from the local community and a gap in general nursery provision. On further discussion as to whether other public funds via Midlothian Council could be used to fund the project, it was noted they are investing in the project via the Asset Transfer', providing the building on a 50 year lease for £1 per year, and that this could be seen as their investment. It was further noted that the community will have access to a much better facility through this project.

#### **Displacement**

The LAG discussed displacement, acknowledging that no other provider had come forward to offer these services in Rosewell. They also discussed whether supporting the project would be a barrier to an alternative business starting/expanding in the future.

#### **Innovation**

The LAG countered comments given in the scoring process on the project lacking innovation by considering this the first Tyne Esk project to involve an Asset Transfer innovative. . They also considered the community use of a commercial property innovative.

#### **Additionality**

AL pointed out that there had been an error in the scoring sheet in that it had not given room for Additionality comments, and asked if there were any to be minuted. The LAG declined.

#### **General**



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<p>The LAG noted that public liability insurance and professional indemnity insurance are not required for the project itself but buildings insurance is and this was obtained for the application.</p> <p>The LAG expressed concern about Tyne Esk LEADER staff capacity to administer the project with 1.4FTE staff, in particular at the extra workload for AL.</p> <p><b>Technical Check</b> There were no issues raised by the technical check.</p> <p><b>Score:</b> The LAG overall score for the project was 6.6.</p> <p><b>Vote:</b> The LAG voted by a majority in favour of awarding a grant to the project of £95,116 subject to standard conditions plus:</p> <ul style="list-style-type: none"> <li>• Written confirmation of match funding</li> <li>• Written confirmation that planning and building warrant conditions have been met</li> <li>• Provision of a valid lease</li> <li>• Provision of written permission from landlord to undertake the project</li> <li>• Provision of notification by the Accountable Body of the steps taken to mitigate the workload on AL as a result of DM leaving, to include starting the recruitment process for a replacement and steps to buy in support for the interim period. This was to be done in writing by 1 November 2019</li> <li>• The receipt of written assurance from the Scottish Government by 8 November of special dispensation on the separation of duties, specifically that AL can work on claims on projects she has developed. AM to action.</li> </ul> <p><b>The project score remained at 6.6 and will be entered into LARCs.</b></p>	<p><b>Accountable Body to provide notification of steps taken to recruit Finance Support Officer replacement and ensure support from other LAGs for interim period by 1 November 2019.</b></p> <p><b>AMM to contact Scottish Government for special dispensation to allow AL to action claims on projects she has developed after DM's leaving.</b></p>
<p><b>6 Projects Update</b></p> <p><b>6.1 Track to Train</b> AMM provided an update on this project. The building is currently closed owing to flooding, resulting in the inability to comply with grant conditions on this basis, AMM advised withholding the final payment until such time as a satisfactory plan is put in place. AMM will meet colleagues from Apex Scotland to discuss. There was a discussion on what the LAG could do to support the project and applicant.</p>	<p><b>AMM to meet representative from Track 2 Train parent organisation Apex Scotland to gain clarity on the financial position</b></p>



<p>At this point AMM and MS left.</p> <p><b>6.2 The Fraser Centre Launch Event</b>          The Fraser Centre building is now open and complete with the applicant due to pick up the keys on 31 October 2019. There will be a launch event on 8 November 2019. AL to circulate details. There will also be an open day on 9 November.</p>	<p><b>and the status of the issues.</b></p> <p>AL to circulate details of the Fraser Centre launch event on 8 November to the LAG.</p>
<p><b>7 Any Other Business</b></p> <p><b>7.2 DM Leaving</b>          AM read a note of thanks to DM from NR</p>	
<p><b>8 Finish – Date of next meeting</b></p> <p>3 December 2019, The Maitlandfield Hotel, Haddington          9.00am-1.00pm</p>	

*W. [Signature]*  
 3/12/19



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## Actions

- **AMM to contact other LAGs and the FLAG regarding buying in experience from them and to begin the recruitment process for a new Finance Support Officer.**
- **AMM to explore acting up payments internally.**
- **AMM to meet representative from Track 2 Train parent organisation Apex Scotland to gain clarity on the financial position and the status of the issues.**
- **Accountable Body to provide notification of steps taken to recruit Finance Support Officer replacement and ensure support from other LAGs for interim period by 1 November 2019.**
  
- **AM, AH, AMM and MS to meet and agree on wording of the Memorandum of Understanding.**
  
- **AM to contact Scottish Government for special dispensation to allow AL to action claims on projects she has developed after DM's leaving.**
- **AM to seek confirmation from the Scottish Government on the scope and timing of their planned audit.**
  
- **AH to continue Communications Plan review.**
  
- **AL to circulate Haddington CAB Digital Access Project end user beneficiary video**
- **AL to circulate details of the Fraser Centre launch event on 8 November to the LAG**
  
- **LEADER staff to keep LAG updated on any issues or concerns to do with the payment of claims and also to keep the Scottish Government informed.**
- **Staff team to approve Change Request extensions on project end dates/milestones.**
- **JG to undertake this and provide regular reports to the Executive Team.**